

# **FISCAL NOTE**

## **SB 1077 - HB 1514**

March 24, 1997

**SUMMARY OF BILL:** Authorizes the State Insurance Committee to establish a premium schedule for retirees who continue participation in the State Plan. The amount of the retiree's monthly contribution, would be based upon the individual's length of service. Less than 20 years of service - retiree pays 40% of premium; 20 to 30 years of service - retiree pays 30% of premium; 30 or more years of service - retiree pays 20% of premium.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$1,400,000 Included in Governor's 1997-98  
Proposed Budget**

This proposal is similar to language in the FY 96-97 General Appropriations Act and will codify the Administration's FY 97-98 proposal. Implementation of the proposal in 1996-97 resulted in reduction of revenue to the State Plan by approximately \$1.8 million; 80% of which was made up by an increase in state funds through the employer contribution toward increased premiums.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director